

STAND. COM. REP. NO. 2117

Honolulu, Hawaii

FEB 07 2014

RE: S.B. No. 2197
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Madam:

Your Committee on Energy and Environment, to which was referred S.B. No. 2197 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish a renewable fuels production income tax credit; and
- (2) Repeal the ethanol facility tax credit.

Your Committee received testimony in support of this measure from the Ulupono Initiative; Renewable Energy Action Coalition of Hawaii; Blue Planet Foundation; Hawaii Renewable Energy Alliance; Hawaii BioEnergy, LLC; Pacific Biodiesel Technologies; Extended Horizons; and thirty individuals. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism; Department of Taxation; Department of the Attorney General; and Tax Foundation of Hawaii.

Your Committee finds that in recent years, Hawaii has seen significant growth in renewable energy adoption moving the State toward its renewable energy goals. However, while Hawaii locally produces about fourteen percent renewable electricity, far less than one percent of the renewable fuels are used.



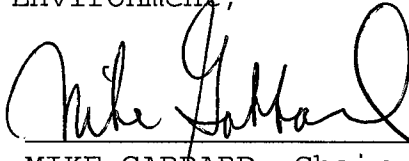
Your Committee further finds that Hawaii is far behind in achieving its renewable goals for transportation, as transportation fuels account for about two-thirds of all the energy consumed in Hawaii and nearly all of Hawaii's energy for transportation comes from imported fuels. Without renewable fuel production from sources indigenous to Hawaii, the State will have virtually no fuel available for critical transportation needs if and when imported fuels stop flowing to Hawaii.

Your Committee has amended this measure by:

- (1) Adding a severability clause in light of commerce clause issues raised by the Attorney General; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2197, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2197, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Energy and
Environment,



MIKE GABBARD, Chair

The Senate
Twenty-Seventh Legislature
State of Hawai'i

Record of Votes
Committee on Energy and Environment
ENE

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SB 2197</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">ENE, WAM</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">2/4/14</div>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312 </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310 </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)	<input checked="" type="checkbox"/>			
RUDERMAN, Russell E. (VC)	<input checked="" type="checkbox"/>			
CHUN OAKLAND, Suzanne				<input checked="" type="checkbox"/>
IHARA, Jr., Les	<input checked="" type="checkbox"/>			
SLOM, Sam				<input checked="" type="checkbox"/>
TOTAL	3			2
Recommendation: <div style="display: flex; justify-content: space-around; align-items: center;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: <div style="font-size: 1.5em; font-family: cursive; margin-top: 10px;"> </div>				
Distribution: <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="text-align: center;">Original File with Committee Report</div> <div style="text-align: center;">Yellow Clerk's Office</div> <div style="text-align: center;">Pink Drafting Agency</div> <div style="text-align: center;">Goldenrod Committee File Copy</div> </div>				

*Only one measure per Record of Votes